

STAT

SHC61-9103-283
Enclosure A

Copy #2

ITEK LABORATORIES

SETTLEMENT PROPOSAL

CONTRACT 100-90(9103)

October 9, 1961

SPECIAL HANDLING**ASSIGNMENT OF REFUNDS, REBATES AND CREDITS**Subcontract No. 100-9

Pursuant to the terms of Subcontract No. 100-9 and in consideration of the reimbursement of costs and payment of fee, as provided in the said subcontract and any assignment thereunder, Itek Laboratories, a Division of Itek Corporation, 13 Maguire Road, Lexington, Massachusetts, (hereinafter called the Subcontractor) does hereby:

1. Assign, transfer, set over and release to the Lockheed Missiles and Space Company (hereinafter called the Contractor and the United States of America (hereinafter called the Government)) all right, title and interest to all refunds, rebates, credits or other amounts (including any interest thereon) arising out of the performance of the said subcontract, together with all the rights of action accrued or which may hereafter accrue thereunder.

2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits or other amounts (including any interest thereon) due or which may become due, and to promptly forward to the Contractor checks for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the Contracting Officer as stated in the said subcontract and may be applied to reduce any amounts otherwise payable to the Contractor and the Government under the terms hereof.

3. Agree to cooperate fully with the Contractor and the Government as to any claim or suit in connection with refunds, rebates, credits, or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the Contractor and the Government to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this Ninth day of October 1961.

ITEK LABORATORIES
A DIVISION OF ITEK CORPORATION

BY signed/

TITLE President

I, , certify that I am the Secretary-Treasurer of the corporation named as Subcontractor in the foregoing assignment; that who signed said assignment on behalf of the Subcontractor was then Vice-President of said corporation; that said assignment was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

signed/

(CORPORATE SEAL)

SPECIAL HANDLING

SPECIAL HANDLING
RELEASE

Subcontract No. 100-9

Pursuant to the terms of Subcontract No. 100-9 and in consideration of the sum of Five Million, Four Hundred Twenty Thousand, Eight Hundred Fifty-Four Dollars (\$5,420,854) which has been or is to be paid under the said subcontract to Itek Laboratories, a Division of Itek Corporation, 10 Maguire Road, Lexington, Massachusetts (hereinafter called the Subcontractor) or its assignees, if any, the Subcontractor, upon payment of the said sum by the Lockheed Missiles and Space Company (hereinafter called the Contractor does remise, release and discharge the Contractor and the Government, their officers, agents and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said subcontract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Subcontractor, as follows:

NONE

2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Subcontractor to third parties arising out of the performance of the said subcontract, which are not known to the Subcontractor on the date of the execution of this release and of which the Subcontractor gives notice in writing to the Contractor within the period specified in the said subcontract.

3. Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of the Contractor against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the provisions of the said subcontract relating to patents.

The Subcontractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of the said subcontract, including without limitation those provisions relating to notification to the Contractor and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this Ninth day of October 1961.

ITEK LABORATORIES
A DIVISION OF ITEK CORPORATION

BY signed/

TITLE President

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I, , certify that I am the Secretary-Treasurer of the corporation named as Subcontractor in the foregoing release; that signed said release on behalf of the Subcontractor was then Vice-President of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

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 signed/

(CORPORATE SEAL)

SPECIAL HANDLING

| DEPARTMENT OF DEFENSE | | Form Approved Budget Bureau No. 22-R070 | |
|---|------------------------------------|--|---|
| SETTLEMENT PROPOSAL FOR COST-REIMBURSEMENT TYPE CONTRACTS | | | |
| To be used by prime contractors submitting termination claims on cost-reimbursement type contracts under Section VIII of the Armed Services Procurement Regulation. Also suitable for use in connection with terminated cost-reimbursement type subcontracts. | | | |
| COMPANY Itek Labs - a division of Itek Corp. | | PROPOSAL NUMBER | CHECK ONE <input type="checkbox"/> PARTIAL <input checked="" type="checkbox"/> FINAL |
| STREET ADDRESS 10 Maguire Road | | GOVERNMENT PRIME CONTRACT NO. 9103 (100-9) | REFERENCE NO. |
| CITY AND STATE Lexington, Massachusetts | | EFFECTIVE DATE OF TERMINATION | |
| ITEM a | TOTAL PREVIOUSLY SUBMITTED b | INCREASE OR DECREASE BY THIS PROPOSAL c | TOTAL SUBMITTED TO DATE d |
| 1. DIRECT MATERIAL | \$ 511,543.00 | \$ -0- | \$ 511,543.00 |
| 2. DIRECT LABOR | 574,103.00 | -0- | 574,103.00 |
| 3. INDIRECT FACTORY EXPENSE | 808,605.00 | 66,907.00 | 875,512.00 |
| 4. DIES, JIGS, FIXTURES AND SPECIAL TOOLS | | | |
| 5. OTHER COSTS | 87,966.00 | 35,312.00 | 123,278.00 |
| GENERAL AND ADMINISTRATIVE EXPENSE | 424,569.00 | 59,629.00 | 484,198.00 |
| TOTAL COSTS (Items 1 thru 6) | \$ 2,406,786.00 | \$ 161,848.00 | \$ 2,568,634.00 |
| 6. FEE | 181,115.00 | 31,961.00 | 213,076.00 |
| 9. SETTLEMENT EXPENSES | | | |
| 10. SETTLEMENTS WITH SUBCONTRACTORS | 2,639,141.00 | 3.00 | 2,639,144.00 |
| 11. GROSS PROPOSED SETTLEMENT (Items 7 thru 10) | 5,227,042.00 | 193,812.00 | 5,420,854.00 |
| 12. DISPOSAL AND OTHER CREDITS | -0- | -0- | -0- |
| 13. NET PROPOSED SETTLEMENT (Items 11 less 12) | \$ 5,227,042.00 | \$ 193,812.00 | \$ 5,420,854.00 |
| 14. PREVIOUS PAYMENTS TO CONTRACTOR | \$ | \$ | \$ 5,227,042.00 |
| 15. NET PAYMENT REQUESTED (Item 13 less 14) | \$ | \$ | \$ 193,812.00 |
| <p>CERTIFICATE</p> <p>THE UNDERSIGNED, INDIVIDUALLY AND AS AN AUTHORIZED REPRESENTATIVE OF THE CONTRACTOR, CERTIFIES THAT HE HAS EXAMINED THIS SETTLEMENT PROPOSAL AND THAT, TO THE BEST OF HIS KNOWLEDGE AND BELIEF:</p> <p>(1) AS TO CONTRACTOR'S OWN CHARGES - THE PROPOSED SETTLEMENT (exclusive of charges set forth in Item 10) AND SUPPORTING SCHEDULES AND EXPLANATIONS HAVE BEEN PREPARED FROM THE BOOKS OF ACCOUNT AND RECORDS OF THE CONTRACTOR IN ACCORDANCE WITH THE TERMS OF THE CONTRACT, THEY INCLUDE ONLY THOSE CHARGES ALLOCABLE TO THE TERMINATED CONTRACT; THEY HAVE BEEN PREPARED WITH KNOWLEDGE THAT THEY WILL, OR MAY, BE USED DIRECTLY OR INDIRECTLY AS THE BASIS OF SETTLEMENT OF A CLAIM OR CLAIMS AGAINST THE UNITED STATES OR AN AGENCY THEREOF; AND THE CHARGES AS STATED ARE FAIR AND REASONABLE.</p> <p>(2) AS TO SUBCONTRACTORS' CHARGES - (a) THE CONTRACTOR HAS EXAMINED, OR CAUSED TO BE EXAMINED, TO AN EXTENT IT CONSIDERED NECESSARY IN THE CIRCUMSTANCES, THE CLAIMS OF ITS IMMEDIATE SUBCONTRACTORS (exclusive of claims filed against such immediate subcontractors by their subcontractors); (b) THE SETTLEMENTS ON ACCOUNT OF IMMEDIATE SUBCONTRACTORS' OWN CHARGES ARE FAIR AND REASONABLE, SAID CHARGES ARE ALLOCABLE TO THE TERMINATED PORTION OF THIS CONTRACT AND SAID SETTLEMENTS WERE NEGOTIATED IN GOOD FAITH AND ARE NOT MORE FAVORABLE TO ITS IMMEDIATE SUBCONTRACTORS THAN THOSE WHICH THE CONTRACTOR WOULD MAKE IF REIMBURSEMENT BY THE GOVERNMENT WERE NOT INVOLVED; (c) THE CONTRACTOR HAS RECEIVED FROM ALL ITS IMMEDIATE SUBCONTRACTORS APPROPRIATE CERTIFICATES WITH RESPECT TO THEIR CLAIMS, WHICH CERTIFICATES ARE SUBSTANTIALLY IN THE FORM OF THIS CERTIFICATE; AND (d) THE CONTRACTOR HAS NO INFORMATION LEADING IT TO DOUBT (i) THE REASONABLENESS OF THE SETTLEMENTS WITH MORE REMOTE SUBCONTRACTORS OR (ii) THAT CHARGES FOR THEM ARE ALLOCABLE TO THIS CONTRACT. UPON RECEIPT BY THE CONTRACTOR OF AMOUNTS COVERING SETTLEMENTS WITH ITS IMMEDIATE SUBCONTRACTORS, THE CONTRACTOR WILL PAY OR CREDIT THEM PROMPTLY WITH THE AMOUNTS SO RECEIVED, TO THE EXTENT THAT IT HAS NOT PREVIOUSLY DONE SO. THE TERM SUBCONTRACTOR AS USED ABOVE INCLUDES SUPPLIERS.</p> | | | |
| NAME OF CONTRACTOR | | BY (Signature of authorized official) | |
| | | TITLE | DATE |
| NAME OF SUPERVISORY ACCOUNTING OFFICIAL | | TITLE | |

Negotiated Overhead Rates

100-9 (Project 9103)

Fiscal Years 1958, 1959, 1960, 1961

| Elements of Cost | Fiscal Year 1958 | 1/1/58 to 5/31/58 | 6/1/58 to 9/30/58 | Fiscal Year 1959 | Fiscal Year 1960 | Fiscal Year 1961--10/1/60 thru 3/31/61 | Total Thru Inception |
|---|------------------|-------------------|-------------------|------------------|------------------|--|----------------------|
| Boston - Engineering | 97,690.76 | 7,264.49 | 90,426.27 | | | | 97,690.76 |
| Overhead @ 95.33% | 93,177.45 | 6,928.87 | 86,248.58 | | | | 93,177.45 |
| Waltham - Engineering | 22,861.06 | 178.00 | 22,683.06 | | | | 22,861.06 |
| Overhead @ 74.50% | 17,031.49 | 132.61 | 16,898.88 | | | | 17,031.49 |
| Boston - Fabrication | 12,766.77 | 37.50 | 12,729.27 | | | | 12,766.77 |
| Overhead @ 98.03% | 12,515.26 | 36.76 | 12,478.50 | | | | 12,515.26 |
| Waltham - Fabrication | 7,662.87 | - 0 - | 7,662.87 | | | | 7,662.87 |
| Overhead @ 142.59% | 10,926.49 | - 0 - | 10,926.49 | | | | 10,926.49 |
| Quality Control Labor | | | | 18,502.67 | | | 18,502.67 |
| Overhead @ 156.56% | | | | 28,967.78 | 7,505.07 | | 36,472.85 |
| Assembly Labor | | | | 2,541.05 | 11,580.32 | | 14,121.37 |
| Overhead @ 171.95% | | | | 4,369.34 | 184.98 | | 4,554.32 |
| Shop Labor | | | | 20,319.56 | 324.05 | | 20,643.61 |
| Overhead @ 166.13% | | | | 33,769.08 | 6,311.21 | | 40,080.29 |
| Engineering Labor | | | | 316,414.46 | 9,375.93 | | 325,790.39 |
| Overhead @ 174.06% | | | | 550,751.01 | 61,342.40 | | 612,093.41 |
| **Engineering Rate Increment @ 11.16% (Research Impact on Engineering Overhead) | | | | 35,311.85 | 102,723.98 | | 138,035.83 |
| O. D. Labor | | | | 2,046.33 | 333.95 | | 2,380.28 |
| Materials & Service | 108,156.07 | 370.38 | 107,785.69 | 371,714.92 | 31,672.41 | | 403,388.03 |
| Sub-Contracts | 615,445.00 | - 0 - | 615,445.00 | 174,803.73 | 275,068.96 | 593.13 | 865,312.82 |
| Travel | 11,570.91 | 1,979.77 | 9,591.14 | 52,706.52 | 10,653.55 | | 74,831.39 |
| Other | 1,012.12 | 10.85 | 1,022.97 | 3,936.21 | 905.75 | | 5,874.93 |
| Tel. & Tel. | | | | | 4,800.73 | | 4,800.73 |
| Overtime Premium | | | | | 522,783.23 | | 522,783.23 |
| Total Manufacturing Costs | 1,010,816.25 | 16,939.23 | 993,877.02 | 318,938.20 | 593,113.00 | | 1,507,950.87 |
| G & A | | | | | | | |
| 10/1/57 - 5/31/58 @ 9.31% | 1,661.74 | 1,661.74 | | | | | 3,323.48 |
| 6/1/58 - 9/30/58 @ 6.1% | 60,626.50 | | 60,626.50 | | | | 121,253.00 |
| G & A F/Y 1959 @ 10.82% | | | | 345,091.80 | | | 345,091.80 |
| G & A F/Y 1960 @ 14.58% | | | | | 76,744.59 | | 76,744.59 |
| G & A 10/1/60 to 3/31/61 - Actual | | | | | | 73.35 | 73.35 |
| TOTAL COSTS | 1,073,104.49 | 118,600.97 | 1,054,503.56 | 353,480.00 | 599,527.88 | 666.48 | 1,607,778.85 |